

**ND TEACHERS FUND FOR RETIREMENT  
INVESTMENT PERFORMANCE REPORT AS OF JANUARY 31, 2004**

	January-04				December-03				September-03				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Allocation		Quarter		Allocation		Quarter		Fiscal YTD	FY03	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2003 Net	6/30/2003 Net
<b>LARGE CAP DOMESTIC EQUITY</b>																
<i>Structured Growth</i>																
LA Capital	60,430,107	4.5%	4.5%	1.65%	59,429,333	4.5%	4.5%	9.09%	54,433,606	4.5%	4.5%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	-1.48%	-20.46%	-5.64%
<b>Total Structured Growth</b>	<b>60,430,107</b>	<b>4.5%</b>	<b>4.5%</b>	<b>1.65%</b>	<b>59,429,333</b>	<b>4.5%</b>	<b>4.5%</b>	<b>9.09%</b>	<b>54,433,606</b>	<b>4.5%</b>	<b>4.5%</b>	<b>6.61%</b>	<b>18.22%</b>	<b>-1.48%</b>	<b>-20.46%</b>	<b>-5.64%</b>
Russell 1000 Growth				2.04%				10.41%				3.92%	17.08%	2.93%	-21.55%	-5.04%
<i>Structured Value</i>																
<b>LSV</b>	<b>67,211,725</b>	<b>5.0%</b>	<b>4.5%</b>	<b>2.59%</b>	<b>65,556,517</b>	<b>5.0%</b>	<b>4.5%</b>	<b>15.58%</b>	<b>56,852,843</b>	<b>4.7%</b>	<b>4.5%</b>	<b>3.33%</b>	<b>22.52%</b>	<b>-2.05%</b>	<b>9.06%</b>	<b>3.95%</b>
Russell 1000 Value				1.76%				14.19%				2.06%	18.59%	-1.02%	-2.19%	-0.17%
<i>Enhanced Russell 1000 Index</i>																
<b>LA Capital</b>	<b>62,691,873</b>	<b>4.7%</b>	<b>4.5%</b>	<b>1.91%</b>	<b>61,506,658</b>	<b>4.6%</b>	<b>4.5%</b>	<b>11.77%</b>	<b>55,020,114</b>	<b>4.6%</b>	<b>4.5%</b>	<b>2.87%</b>	<b>17.17%</b>	<b>1.08%</b>	<b>N/A</b>	<b>N/A</b>
Russell 1000				1.90%				12.26%				3.00%	17.83%	0.96%	N/A	N/A
<i>Enhanced S&amp;P 500 Index</i>																
Northern Trust	59,419,041	4.4%	4.5%	2.06%	58,209,002	4.4%	4.5%	12.40%	51,778,887	4.3%	4.5%	2.50%	17.58%	0.28%	N/A	N/A
Strong	61,093,031	4.5%	4.5%	1.95%	60,017,398	4.5%	4.5%	12.76%	53,231,843	4.4%	4.5%	2.89%	18.28%	3.30%	N/A	N/A
Westridge	64,556,096	4.8%	4.5%	1.85%	63,419,893	4.8%	4.5%	12.22%	56,514,305	4.7%	4.5%	2.65%	17.32%	0.56%	N/A	N/A
<b>Total Enhanced S&amp;P 500 Index</b>	<b>185,068,168</b>	<b>13.7%</b>	<b>13.5%</b>	<b>1.95%</b>	<b>181,646,293</b>	<b>13.7%</b>	<b>13.5%</b>	<b>12.46%</b>	<b>161,525,035</b>	<b>13.4%</b>	<b>13.5%</b>	<b>2.68%</b>	<b>17.72%</b>	<b>1.35%</b>	<b>N/A</b>	<b>N/A</b>
S&P 500				1.84%				12.18%				2.64%	17.26%	0.24%	N/A	N/A
<i>S&amp;P 500 Index</i>																
<b>State Street</b>	<b>41,913,790</b>	<b>3.1%</b>	<b>3.0%</b>	<b>1.83%</b>	<b>41,161,194</b>	<b>3.1%</b>	<b>3.0%</b>	<b>12.16%</b>	<b>36,694,194</b>	<b>3.0%</b>	<b>3.0%</b>	<b>2.64%</b>	<b>17.23%</b>	<b>0.31%</b>	<b>-11.14%</b>	<b>-1.58%</b>
S&P 500				1.84%				12.18%				2.64%	17.26%	0.24%	-11.20%	-1.61%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>417,315,664</b>	<b>31.0%</b>	<b>30.0%</b>	<b>1.99%</b>	<b>409,299,996</b>	<b>30.9%</b>	<b>30.0%</b>	<b>12.31%</b>	<b>364,525,793</b>	<b>30.3%</b>	<b>30.0%</b>	<b>3.02%</b>	<b>18.00%</b>	<b>0.49%</b>	<b>-9.68%</b>	<b>-2.32%</b>
S&P 500				1.84%				12.18%				2.64%	17.26%	0.24%	-11.20%	-1.61%
<b>SMALL CAP DOMESTIC EQUITY</b>																
<i>Manager-of-Managers</i>																
<b>SEI</b>	<b>145,241,523</b>	<b>10.8%</b>	<b>10.0%</b>	<b>4.64%</b>	<b>138,627,573</b>	<b>10.5%</b>	<b>10.0%</b>	<b>14.87%</b>	<b>126,781,889</b>	<b>10.5%</b>	<b>10.0%</b>	<b>9.68%</b>	<b>31.84%</b>	<b>0.68%</b>	<b>N/A</b>	<b>N/A</b>
Russell 2000 + 200bp				4.51%				15.07%				9.60%	31.81%	0.37%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>145,241,523</b>	<b>10.8%</b>	<b>10.0%</b>	<b>4.64%</b>	<b>138,627,573</b>	<b>10.5%</b>	<b>10.0%</b>	<b>14.87%</b>	<b>126,781,889</b>	<b>10.5%</b>	<b>10.0%</b>	<b>9.68%</b>	<b>31.84%</b>	<b>0.68%</b>	<b>-3.37%</b>	<b>-0.65%</b>
Russell 2000				4.34%				14.52%				9.07%	30.34%	-1.64%	-3.30%	0.97%
<b>INTERNATIONAL EQUITY</b>																
<i>Large Cap - Core</i>																
<b>State Street</b>	<b>57,996,913</b>	<b>4.3%</b>	<b>4.0%</b>	<b>1.71%</b>	<b>57,022,569</b>	<b>4.3%</b>	<b>4.0%</b>	<b>14.32%</b>	<b>50,017,192</b>	<b>4.2%</b>	<b>4.0%</b>	<b>6.08%</b>	<b>23.34%</b>	<b>-9.96%</b>	<b>-13.28%</b>	<b>-4.72%</b>
MSCI EAFE - 50% Hedged				1.37%				13.15%				6.58%	22.25%	-11.24%	-14.65%	-4.18%
<i>Large Cap - Active</i>																
Capital Guardian	139,493,512	10.4%	10.0%	1.45%	137,780,918	10.4%	10.0%	13.62%	121,648,049	10.1%	10.0%	7.45%	23.84%	-11.30%	-14.96%	0.47%
Bank of Ireland	27,520,678	2.0%	2.0%	1.47%	27,096,615	2.0%	2.0%	17.43%	23,146,777	1.9%	2.0%	2.64%	22.31%	-10.28%	N/A	N/A
<b>Total Large Cap - Active</b>	<b>167,014,190</b>	<b>12.4%</b>	<b>12.0%</b>	<b>1.45%</b>	<b>164,877,533</b>	<b>12.5%</b>	<b>12.0%</b>	<b>14.22%</b>	<b>144,794,826</b>	<b>12.0%</b>	<b>12.0%</b>	<b>6.65%</b>	<b>23.59%</b>	<b>-11.12%</b>	<b>-14.58%</b>	<b>0.74%</b>
MSCI EAFE - 50% Hedged				1.37%				13.15%				6.58%	22.25%	-11.24%	-14.65%	-4.18%
<i>Small Cap - Active</i>																
Lazard	28,273,365	2.1%	2.0%	3.24%	27,361,003	2.1%	2.0%	14.41%	26,522,836	2.2%	2.0%	10.66%	30.71%	-2.32%	N/A	N/A
Wellington	28,065,039	2.1%	2.0%	2.63%	27,311,308	2.1%	2.0%	11.59%	27,825,562	2.3%	2.0%	17.22%	34.24%	5.97%	N/A	N/A
<b>Total Small Cap - Active</b>	<b>56,338,404</b>	<b>4.2%</b>	<b>4.0%</b>	<b>2.93%</b>	<b>54,672,311</b>	<b>4.1%</b>	<b>4.0%</b>	<b>12.90%</b>	<b>54,348,397</b>	<b>4.5%</b>	<b>4.0%</b>	<b>13.94%</b>	<b>32.41%</b>	<b>1.75%</b>	<b>N/A</b>	<b>N/A</b>
Citigroup Broad Market Index < \$2BN				4.20%				13.31%				15.95%	36.90%	3.91%	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>281,349,506</b>	<b>20.9%</b>	<b>20.0%</b>	<b>1.80%</b>	<b>276,572,413</b>	<b>20.9%</b>	<b>20.0%</b>	<b>13.97%</b>	<b>249,160,415</b>	<b>20.7%</b>	<b>20.0%</b>	<b>8.04%</b>	<b>25.34%</b>	<b>-8.22%</b>	<b>-12.63%</b>	<b>-0.99%</b>
MSCI EAFE - 50% Hedged				1.37%				13.15%				6.58%	22.25%	-11.24%	-14.65%	-4.18%
<b>EMERGING MARKETS EQUITY</b>																
<i>Capital Guardian</i>																
<b>Capital Guardian</b>	<b>74,158,640</b>	<b>5.5%</b>	<b>5.0%</b>	<b>4.37%</b>	<b>71,053,188</b>	<b>5.4%</b>	<b>5.0%</b>	<b>14.85%</b>	<b>69,341,678</b>	<b>5.8%</b>	<b>5.0%</b>	<b>14.62%</b>	<b>37.39%</b>	<b>7.15%</b>	<b>-10.61%</b>	<b>1.62%</b>
MSCI Emerging Markets Free				3.55%				17.81%				14.23%	39.35%	6.96%	-7.07%	2.49%
<b>DOMESTIC FIXED INCOME</b>																
<i>Core Bond</i>																
<b>Western Asset</b>	<b>10,457,959</b>	<b>0.8%</b>	<b>0.9%</b>	<b>0.92%</b>	<b>10,362,007</b>	<b>0.8%</b>	<b>0.9%</b>	<b>1.24%</b>	<b>9,813,527</b>	<b>0.8%</b>	<b>0.9%</b>	<b>-0.47%</b>	<b>1.69%</b>	<b>13.42%</b>	<b>11.88%</b>	<b>8.58%</b>
Lehman Aggregate				0.80%				0.32%				-0.15%	0.98%	10.39%	10.07%	7.54%
<i>Active Duration</i>																
<b>WestAM (Criterion)</b>	<b>10,226,604</b>	<b>0.8%</b>	<b>0.9%</b>	<b>0.77%</b>	<b>10,156,767</b>	<b>0.8%</b>	<b>0.9%</b>	<b>0.31%</b>	<b>9,699,747</b>	<b>0.8%</b>	<b>0.9%</b>	<b>-0.40%</b>	<b>0.68%</b>	<b>9.93%</b>	<b>9.39%</b>	<b>6.85%</b>
Lehman Aggregate				0.80%				0.32%				-0.15%	0.98%	10.39%	10.07%	7.54%
<i>Index</i>																
Bank of ND	16,104,093	1.2%	1.1%	0.88%	15,963,652	1.2%	1.1%	-0.10%	15,583,901	1.3%	1.0%	-0.73%	0.03%	12.59%	11.06%	7.79%
Bank of ND Match Loan CD Program	8,721,261	0.6%	0.6%	0.00%	8,680,209	0.7%	0.7%	1.41%	8,664,626	0.7%	0.7%	1.43%	2.86%	5.83%	5.84%	5.85%
<b>Total Index</b>	<b>24,825,354</b>	<b>1.8%</b>	<b>1.8%</b>	<b>0.68%</b>	<b>24,643,862</b>	<b>1.9%</b>	<b>1.8%</b>	<b>0.23%</b>	<b>24,248,527</b>	<b>2.0%</b>	<b>1.8%</b>	<b>-0.21%</b>	<b>0.70%</b>	<b>10.77%</b>	<b>10.08%</b>	<b>7.44%</b>
Lehman Gov/Credit				0.91%				-0.03%				-0.50%	0.37%	13.15%	10.82%	7.83%

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	January-04				December-03				September-03				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Allocation		Quarter		Allocation		Quarter					
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2003	6/30/2003
															Net	Net
Convertibles																
TCW	11,470,551	0.9%	0.9%	2.15%	11,221,398	0.8%	0.9%	10.00%	9,984,713	0.8%	0.9%	1.84%	14.43%	10.37%	-9.08%	N/A
First Boston Convertible Index				2.01%				8.54%				2.67%	13.68%	15.35%	-3.81%	N/A
BBB Average Quality																
Strong	10,391,521	0.8%	0.9%	1.12%	10,263,580	0.8%	0.9%	1.47%	9,899,987	0.8%	0.9%	0.16%	2.77%	14.81%	10.35%	N/A
Lehman BBB				1.13%				1.22%				0.27%	2.64%	18.33%	9.91%	N/A
Timberland																
Evergreen (Wachovia)	20,273,697	1.5%	1.5%	2.06%	19,855,115	1.5%	1.5%	6.11%	18,287,910	1.5%	1.5%	-0.15%	8.13%	12.50%	N/A	N/A
															N/A	N/A
TOTAL DOMESTIC FIXED INCOME	87,645,686	6.5%	7.0%	1.31%	86,502,729	6.5%	7.0%	3.16%	81,934,410	6.8%	7.0%	0.11%	4.62%	11.62%	6.95%	6.77%
Lehman Aggregate				0.80%				0.32%				-0.15%	0.98%	10.39%	10.07%	7.54%
HIGH YIELD BONDS																
Western Asset	85,490,019	6.3%	7.0%	0.99%	84,655,159	6.4%	7.0%	5.54%	80,212,870	6.7%	7.0%	1.99%	8.70%	20.04%	2.51%	4.15%
Lehman High Yield Bond Index				1.91%				5.91%				2.77%	10.93%	22.77%	5.44%	2.66%
INTERNATIONAL FIXED INCOME																
International Sovereign																
UBS Global (Brinson)	31,605,967	2.3%	2.5%	0.01%	31,592,642	2.4%	2.5%	6.49%	28,349,039	2.4%	2.5%	3.18%	9.89%	18.20%	8.47%	5.93%
Citigroup Non-US Gov't Bond Index (1)				0.12%				6.71%				2.75%	9.77%	17.91%	8.10%	6.29%
International Core																
Brandywine	31,800,152	2.4%	2.5%	-0.57%	31,952,919	2.4%	2.5%	7.30%	27,744,819	2.3%	2.5%	1.51%	8.30%	N/A	N/A	N/A
Lehman Global Aggregate (ex-US)				0.08%				6.77%				2.76%	9.81%	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	63,406,119	4.7%	5.0%	-0.28%	63,545,561	4.8%	5.0%	6.91%	56,093,858	4.7%	5.0%	2.34%	9.11%	17.83%	8.36%	5.86%
Citigroup Non-US Gov't Bond Index (1)				0.12%				6.71%				2.75%	9.77%	17.91%	8.10%	6.29%
REAL ESTATE																
JMB	16,911			0.00%	16,911			12.83%	26,405			-8.75%	2.96%	-18.62%	-5.76%	0.42%
INVESCO	66,587,884			0.12%	66,508,962			2.16%	59,194,948			0.37%	2.66%	8.15%	8.00%	7.69%
J.P. Morgan	51,151,356			0.49%	50,903,121			3.16%	49,346,053			2.43%	6.17%	7.80%	7.36%	10.23%
TOTAL REAL ESTATE	117,756,151	8.7%	9.0%	0.29%	117,428,994	8.9%	9.0%	2.63%	108,567,406	9.0%	9.0%	1.36%	4.33%	7.97%	7.69%	9.00%
NCREIF TOTAL INDEX				0.91%				2.76%				1.97%	5.74%	7.64%	8.51%	10.16%
ALTERNATIVE INVESTMENTS																
Brinson IVCF III	1,008,543			0.00%	1,008,543			1.29%	902,791			13.02%	14.48%	-16.94%	3.23%	52.67%
Coral Partners V	10,574,446			0.00%	10,574,429			-1.26%	10,226,565			-6.88%	-8.05%	-22.52%	-20.83%	-9.87%
Coral Partners V - Supplemental	951,653			0.00%	526,087			-0.95%	532,012			-15.67%	-16.47%	-28.36%	N/A	N/A
Coral Partners VI	2,748,105			0.00%	1,584,895			-4.63%	1,664,603			-12.18%	-16.25%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	1,801,509			0.00%	1,801,507			2.36%	1,866,448			4.07%	6.53%	-14.73%	-11.35%	1.31%
Brinson 1999 Partnership Fund	2,416,922			0.00%	2,416,918			4.99%	2,305,853			0.98%	6.02%	-16.31%	-14.42%	N/A
Brinson 2000 Partnership Fund	4,110,124			0.00%	4,110,117			2.47%	3,707,426			0.67%	3.15%	-13.99%	-9.08%	N/A
Brinson 2001 Partnership Fund	1,592,560			0.00%	1,259,705			-1.11%	1,275,982			0.43%	-0.68%	-5.98%	N/A	N/A
Brinson 2002 Partnership Fund	851,948			0.00%	851,947			-1.16%	863,431			12.21%	10.91%	9.08%	N/A	N/A
Brinson 2003 Partnership Fund	83,247			0.00%	83,247			-0.24%	83,586			-3.58%	-3.81%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,156,514			0.00%	1,156,512			5.58%	1,262,624			6.32%	12.25%	13.12%	2.21%	N/A
Brinson 2000 Non-US Partnership Fund	1,559,039			0.00%	1,559,036			0.52%	1,553,647			2.82%	3.35%	9.50%	-1.63%	N/A
Brinson 2001 Non-US Partnership Fund	857,018			0.00%	857,016			1.18%	848,452			7.50%	8.77%	-0.41%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	1,298,268			0.00%	1,298,266			0.96%	1,173,907			3.71%	4.71%	5.34%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	221,543			0.00%	221,543			0.05%	76,355			-0.05%	0.00%	N/A	N/A	N/A
Brinson BVCF IV	6,792,599			0.00%	5,926,360			-3.67%	6,162,420			-1.02%	-4.65%	-14.64%	-18.80%	N/A
Matlin Patterson Global Opportunities	13,317,263			0.00%	13,881,362			10.99%	12,527,940			0.00%	10.99%	N/A	N/A	N/A
InvestAmerica	1,757,736			0.00%	1,757,733			0.00%	1,760,703			0.00%	0.00%	-12.50%	N/A	N/A
Hearthstone MSII	1,994,216			0.00%	1,994,213			15.36%	2,379,785			5.06%	21.20%	28.98%	13.57%	N/A
Hearthstone MSIII	4,631,494			0.00%	5,040,140			0.00%	297,332			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	59,724,747	4.4%	5.0%	0.00%	57,909,576	4.4%	5.0%	3.12%	51,471,862	4.3%	5.0%	-0.68%	2.42%	-9.74%	-10.93%	4.40%
CASH EQUIVALENTS																
Northern Trust STIF/STEP	15,294,195	1.1%	2.0%	0.15%	17,423,479	1.3%	2.0%	0.32%	15,341,860	1.3%	2.0%	0.35%	0.83%	1.84%	3.33%	4.22%
90 Day T-Bill				0.08%				0.26%				0.25%	0.59%	1.52%	3.33%	4.07%
TOTAL FUND	1,347,382,250	100.0%	100.0%	1.88%	1,323,018,668	100.0%	100.0%	10.25%	1,203,432,040	100.0%	100.0%	4.70%	17.60%	2.28%	-4.66%	1.45%
POLICY TARGET BENCHMARK				1.72%				9.76%				4.21%	16.34%	1.63%	-6.15%	0.99%

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.